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REVIEW OF ACTIVITIES IN THE FIELD OF SHIPPING, PORTS AND MULTIMODAL TRANSPORT

Note by the UNCTAD secretariat

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I. INTRODUCTION

1. At its eighth session, held in Cartagena in February 1992, the Conference decided to give a new direction to the work of UNCTAD, as reflected in the Cartagena Commitment. Following the new approach, it was decided to suspend the existing main Committees of the Trade and Development Board, including the Committee on Shipping. The work of the latter was to be incorporated in the newly-created Standing Committee on Developing Services Sectors: Fostering Competitive Services Sectors in Developing Countries. In implementation of the decisions taken at UNCTAD VIII, the Board, at the second part of its thirty-eighth session in April 1992, adopted the new terms of reference of the Standing Committees.

2. The suspended Committee on Shipping, at its fourteenth session in June 1990, called on the UNCTAD secretariat to undertake a number of studies dealing with priority problems and concerns of developing countries in the fields of shipping, ports and multimodal transport. In addition, it decided to establish expert groups in the areas of ports and multimodal transport to make proposals on the possible direction of work in these areas. Subsequently, the Secretary-General of UNCTAD decided to convene, in May 1992, a group of eminent persons to discuss possible future shipping policy directions in the light of the issues raised in the secretariat report entitled "Industry and policy developments in world shipping and their impact on developing countries" (TD/B/CN.4/5).

3. The present document briefly reviews the activities undertaken by the secretariat since June 1990 in response to the above-mentioned requests and summarizes the major recommendations made by the three Expert Groups referred to in paragraph 2.

II. REVIEW OF ACTIVITIES IN THE FIELDS OF SHIPPING, PORTS AND MULTIMODAL TRANSPORT

A. Activities in the field of shipping

4. In recent years the shipping industry has continued to be characterized by important technological and organizational changes. The continuing shift from conventional general cargo shipping to large-scale container operations and the consequent move by operators, particularly from traditional maritime nations, into multimodal and logistics services; coupled with an increasing tendency towards internal or external growth of companies, have had a considerable impact on shipowners from developing countries and their ability to participate in the provision of maritime transport services in a meaningful, commercially viable manner.

5. The suspended Committee on Shipping, at its fourteenth session adopted resolution 65 (XIV) in which it, inter alia, expressed concern over increasing structural problems facing the shipping industry as well as the need to assist developing countries in the process of adjustment of their maritime engagement to enable them to continue to adequately meet the transport requirements of the trading community. Consequently, it requested the UNCTAD secretariat "to analyse the on-going structural and technological developments in the maritime sector and to identify the scale and nature of the technology gap experienced

by developing countries. The report should take into account industry developments in all sectors of maritime transport as well as changes in the shipping policy framework based on various national legislations and multilateral agreements.

6. In response to this request, the secretariat has prepared a document entitled: "Industry and policy developments in world shipping and their impact on developing countries" (TD/B/CN.4/5). The document reviews recent developments of a technological and structural nature, particularly in liner shipping. It then makes a general assessment of international and national policies pursued in the past that have aimed at promoting the participation by developing countries in world shipping. Based on this first assessment, it can be concluded that these policies have only partly been able to bear concrete results. In particular, these policies were not always sufficiently responsive to the challenge posed by the process of structural adjustments in shipping and to the greatly varying stages of development of the maritime engagement of different developing countries and regions.

7. In the light of these developments, the starting point for the reconsideration of the maritime engagement of developing countries should be the quest for shipping services adequate to their foreign trade requirements. In parallel to this basic consideration, each country will have to take its own policy decision on the desirability and on the economic merit of developing a national merchant marine. This decision will not necessarily be one in favour of a national fleet, but can equally be a rational one against merchant fleet development based on the quality of services imported and the merits of investment alternatives. For those countries that opt for an active engagement in shipping it will be necessary to reconsider actions and approaches taken to translate the principle of increasing participation by developing countries into economic realities, bearing in mind, however, the general changes in the policy framework governing the provision of shipping services. This entails, in principle, the liberalization of trade in shipping services and the determination of the potential for participation by developing countries in the provision of shipping services.

8. The change in policy direction towards liberalization and removal of market access restrictions has to be seen as a tool providing for the beneficial development of commercially viable shipping services and shipping companies. The attainment of a truly liberalized market environment benefiting both providers and users of maritime transport services will have to be subjected to a phased approach including a transition period which will give developing countries sufficient time to undertake the necessary structural adjustments in their shipping engagement. It is important that the notion of transition should not be understood as involving a time frame only, but above all as a concept of cooperation with the active participation of developed countries, geared to achieve necessary restructuring as quickly and smoothly as possible.

9. Given the importance of such policy changes for the maritime engagement of developing countries, the Secretary-General of UNCTAD decided to convene in May 1992 a Group of experts and eminent persons of the shipping industry, governments and academics to discuss issues raised in the report (TD/B/CN.4/5) and recommendations contained therein.

10. The very positive response of the Group to the document and the recommendations for further action contained in the "Report of the Expert Group on Shipping Policy" (TD/B/CN.4/6) raises hopes that the dialogue thus initiated, in particular with the shipping industry, can be further intensified. Such a dialogue could gradually develop into an "Industry Forum" with open attendance, where operators, government representatives, academics and other interested parties could enter into a dialogue on issues of concern to the development of competitive shipping industries in developing countries.

11. Based on the Cartagena Commitment, the Trade and Development Board at the second part of its thirty-eighth session adopted the terms of reference of the Standing Committee on Developing Services Sectors: Fostering Competitive Services Sectors in Developing Countries. In the field of shipping it was decided that the Committee should, inter alia, focus on:

- reviewing shipping policies in order to identify elements leading to the development of competitive shipping service sectors in developing countries;

- reviewing technological developments that affect maritime transport;

- consideration of conditions facilitating intra and inter-regional cooperation.

12. Bearing in mind the directions indicated by the terms of reference, document TD/B/CN.4/5 can be considered to provide for a basis of an in-depth policy analysis of developing countries bearing in mind the generally prevailing tendency for progressive liberalization as well as the subsequent policy changes already observed in a number of countries.

13. Some specific elements supporting new policy approaches are reflected in the terms of reference and addressed in studies carried out by the secretariat and produced as background documents. Special mention may be made on an analysis of "The role of transport in trade between developing countries" (UNCTAD/SHIP/640) and "Ship finance for developing countries" (UNCTAD/SHIP/642).

14. Document TD/B/CN.4/5 analyses the potential contribution of maritime transport to a closer integration of developing countries through improved trade links. Further work on economic cooperation among developing countries (ECDC) in the field of shipping has been carried out on a continuous basis, particularly with regard to the review of the implementation of recommendations by the expert group on ECDC that had been convened in 1989.

15. Furthermore, some basic considerations concerning possible future directions of work in ECDC in the field of shipping are contained in TD/B/CN.4/5.

16. The possibilities of actually achieving the necessary structural adjustment of the fleets of developing countries as outlined above will depend inter alia on the availability of credit finance to operators from developing countries. While the point is made in document TD/B/CN.4/5 that vessel ownership is not a crucial element to maintain a maritime presence by

developing countries, the expert Group of the Secretary-General in its report (TD/B/CN.4/6) draws attention to the need for a minimum ownership position to maintain market credibility. Consequently, document UNCTAD/SHIP/642 analyses currently prevailing financing conditions available to shipowners from developing countries and assesses their commercial viability in the light of the prevailing market situation and potential revenue earning capacities of ships thus financed.

B. Activities in the field of ports

17. An Ad Hoc Intergovernmental Group of Port Experts on the Development, Improvement and Operation of Ports was convened from 24 to 28 September 1990, in response to resolution 61 (XIII), section IV of the suspended Committee on Shipping. The Group reviewed and commented on the five studies prepared by the secretariat in the following fields:

- Cooperation among ports in developing countries (TD/B/C.4/AC.7/8);
- Maintenance of port equipment (TD/B/C.4/AC.7/9);
- Establishment of transshipment facilities (TD/B/C.4/AC.7/10);
- Guidelines for port managers on the use of computers (TD/B/C.4/AC.7/11);
- Port administration and organization: a noteworthy experiment in Morocco (UNCTAD/SHIP/627).

The Group also reviewed the port management training and the technical cooperation activities carried out by the secretariat. After having examined other issues, the Group adopted a set of recommendations addressed to the Committee on Shipping. These recommendations are dealing with the general aspects of port development, improvements and operations. They also concern the specific technical assistance and training activities of the UNCTAD secretariat in the field of ports as well as on its future study programme. The report on this meeting (TD/B/C.4/337 - TD/B/C.4/AC.7/12) contains the various recommendations made by the Group. It is suggested that they be endorsed by the Standing Committee on Developing Services Sectors in Developing Countries.

18. The activities carried out in the ports field by the secretariat during this period were initiated to implement the recommendations of the Ad Hoc Intergovernmental Group of Port Experts. Of the five recommended priority studies, two were finalized in 1991:

"The Principles of Modern Port Management and Organization" (TD/B/C.4/AC.7/13)

This study considers the organization of a national port system by successively examining the possible aims, tasks, functions and structures of national and local port organization. The second part deals with management. An analysis is made of port management objectives and categories of decisions. A presentation is made of the administrative, economic, financial,

commercial, technical and human resources development tools that are available to port managers. The study concludes with a presentation of a method to examine and diagnose the management of a port.

"Port Marketing and the Challenge of Third Generation Ports" (TD/B/C.4/AC.7/14)

This study starts with a presentation of the present foreign trade and international transport characteristics. The present situation gives ports real opportunities but also entails certain risks. The opportunities come from the fact that the organization of trade needs logistical platforms and the port is a privileged place that can be transformed into a centre of services and distribution. However, risks have grown as the competition between ports and for goods transported has increased. To meet these challenges, ports must be active, and managed and developed in a commercial way, and they have to be as close as possible to the ports users. Recommendations are made on how to organize and develop the marketing functions of a port so that the total port area can become the logistical platform that is needed for foreign trade.

19. The three other studies are well advanced but not completely finalized at the time of preparing this report (July 1992). They can be presented as follows:

"The Legal and Regulatory Aspects of Port Management"

This study covers the whole spectrum of port legislation, including the organization of ports at the national level, the legal aspects of developing and financing port works, the administrative port police, the regulations for port operations, liabilities and insurance, and the legal aspects of land policy and management. An informal meeting of port lawyers was organized in November 1991 to discuss the first draft of this study and make recommendations for its improvement. Twenty-three experts from 14 countries attended this meeting. The study is in its final stage.

"Human Resources Development in the Ports Field" and "Strategic Planning for Port Authorities"

These two studies are well advanced but they have not reached their final stage. It is envisaged to supplement them with case studies to illustrate the various concepts so that their implementation by port managers of the techniques and procedures presented will be facilitated.

20. The UNCTAD Ports Newsletter is being produced twice a year, as recommended by the Intergovernmental Group, in April and in November. It presents, as requested, information on UNCTAD's activities in the ports field (studies, technical cooperation and training). In addition, the Newsletter presents technical information on topics of interest to ports in developing countries. For instance, a technical paper on port privatization was issued. The Newsletter is distributed free of charge to an informal network of more than 200 focal points located in more than 100 countries. In addition, voluntary financial contributions are accepted. The funds collected are used to improve the quality of the Ports Newsletter and facilitate its dissemination.

21. The Intergovernmental Group recommended the extension of the UNCTAD/IAPH scheme to produce monographs on port management. In 1991, two monographs were produced and distributed on the following themes:

"Economic Approach to Equipment Selection and Replacement" (UNCTAD/SHIP/494(8)) and "Recommendations on the Planning and Management of Multipurpose Terminals" (UNCTAD/SHIP/494(9))

In 1992, two other monographs are under preparation on the subjects of port information and computerization and on the trade logistic platform in the port area.

22. During the Intergovernmental Group of Port Experts of September 1990, several representatives of developing countries emphasized how important it was for them that the UNCTAD secretariat should be a research and reference centre in the field of ports since very often they do not have the means to establish such centres. It is therefore essential that the future studies to be carried out by the secretariat correspond exactly to what is currently needed by the port industry. The Group also recommended that similar meetings of port experts be reconvened periodically and be preceded, if possible, by a high-level seminar for senior port officials. It is therefore suggested that a forum on the ports industry be organized by the secretariat in 1993 with the following terms of reference:

- Two-day policy seminar for senior port officials on port commercialization, marketing and information systems.

- The industry forum will:

  Review the last five studies produced by the secretariat and the monographs produced in cooperation with IAPH;

  Examine the latest developments taking place in the ports and related sectors and, in the light of this review and of the Board resolutions concerning the ports sector, recommend other priority studies to be carried out by the secretariat;

  Review and monitor the work carried out by the secretariat in the field of port management training and technical cooperation and make suggestions for future activities;

  Prepare a report for submission to the Committee on Services at its next session.

C. Activities in the field of multimodal transport

23. Since the fourteenth session of the suspended Committee on Shipping, the work undertaken by the secretariat in the short term concentrated on:

(a) completion of outstanding requests from the Committee,

(b) preparation of the requested studies for the Group of Experts on Multimodal Transport, and

(c) a study on the effects on developing countries of the establishment of very large multimodal transport operations.

1. Completion of outstanding requests

24. The only outstanding request was one for a report on container ship leasing (TD/B/C.4/339) which comprehensively dealt with the problems surrounding the leasing of container ships. It analyses briefly the question of ship financing, goes on to treat the advantages and disadvantages of ship leasing from both the lessor and the lessee's view and concludes:

> "A comparison of the various advantages and disadvantages shows that ship leasing cannot serve as a general solution to all problems concerning ship financing. However, it is one possible way of meeting the financial requirements for the acquisition of vessels. Tax benefits and flag advantages can be combined with the financial needs of shipping companies by leasing a vessel instead of buying it ..."

2. Preparation of requested studies for the Group of Experts

25. The studies referred to under (b) above may be summarized as follows:

Block train services in multimodal transport (TD/B/C.4/AC.11/2)

The study recommends that countries wishing to promote their transport corridors should seriously consider the advantages inherent in the operation of block train services including the consideration of the operation of privatized block train services.

Introduction of container block trains may have considerable influence on the competition between ports in a region. Since containers may be brought to a given inland point by different routes, the port having the most efficient liaison with the hinterland is likely to be chosen as interface port.

Container block trains represent an important element in multimodal ocean-landbridge service. Examples cited in the study show that efficient, fast, reliable transcontinental landbridge service providing guaranteed transit times, coordinated with ocean carriers' schedules, is attractive to clients and will increase revenue-earning movements.

The economic advantages of double-stack container trains are obvious. Increased container capacity and the correspondingly reduced tare weight and capital costs of the equipment per payload together with modern operational methods, ensuring a higher fuel efficiency, lower labour requirements and other operational savings make the double-stack container train an attractive innovation.

Problems and requirements that arise from broad economic reforms and restructuring of selected countries (TD/B/C.4/AC.11/3)

This study analyses some of the problems associated with the process of transition to a market economy in the countries of Central and Eastern Europe. It finds that without efficiently functioning transport systems, the prospects for further economic development are very limited. Transport and distribution sectors will play a key role in the transition to a market economy. There is an extensive need in this field for revitalization, new construction and introduction of modern equipment and operating methods. In some areas, significant investments are needed.

In this transitional process in the transport sector, the study finds that emphasis should be placed on infrastructure improvement and support to create conditions of competition within the framework of the transport market. Reorientation towards the open market system should be based on the adoption of corresponding legislation, permitting freedom for economic activities, equal economic conditions for different forms of property and the possibility of privatization of State enterprises.

For a radical improvement of performance of transport systems the study finds that, the rehabilitation and further development of the transport infrastructure is necessary. Attention should be given, at first, to eliminating bottlenecks, especially at rail and road frontier crossings, and filling in gaps in the domestic transport networks. Development of transport infrastructure is characterized by high capital intensiveness and, in general, low financial return. In this field, reliance on foreign investments is considered to be essential, but the study finds that foreign investors have up to now taken a very cautious approach in the countries of the region, choosing the less capital-intensive sectors, particularly the forwarding sector, as major financial investments are considered far too risky for the moment.

Practical problems faced by Governments and commercial parties involved in multimodal transport operations to and from developing countries (TD/B/C.4/AC.11/4)

This study identified three major types of constraints to the development of multimodal transport resulting from internal conditions within many developing countries. The first is the physical limitation of infrastructure, equipment and technology which render difficult the movement of goods. The second is an inadequate institutional and legal transport environment which does not encourage potential transport operators to accept responsibility for multimodal transport operations and the third refers to operational and commercial conditions which do not favour the development of a local market for multimodal transport services. The study identifies three fundamental areas in which developing countries might need assistance and support in the development of multimodal transport services:

(i) Creation of awareness on multimodal transport issues among commercial parties and Governments in developing countries;

(ii) Provision of practical and up-to-date information to local decision-makers on the appropriate measures to be taken and their corresponding implications; and

(iii) Access to regular information on current trends in multimodal transport and technological developments related to international trade and transport.

The effects of EDP and EDI on transport organizations and users (TD/B/C.4/AC.11/5)

This note draws on a number of recent papers dealing with the subject including a study prepared for ESCAP and two papers prepared for the International Data Exchange Association. The note draws a number of conclusions:

(i) If developing countries' transport providers are to thrive, they must take full advantage of both EDP and EDI, which means investing in the appropriate amount of equipment;

(ii) Developing countries' transport companies must provide adequate EDP training to all staff using EDP equipment;

(iii) Local training institutions should provide EDP courses particularly geared towards the transport industry through part-time or evening classes; and

(iv) A large number of "off-the-shelf" software packages for the transport industry exists. However, selection of the "right" software for transport providers and users must receive careful attention since the choice of inappropriate software may have serious economic consequences.

Developments in the field of container standards (TD/B/C.4/AC.11/6)

This report highlights the importance of consistency in the ISO policy on container standards. It states inter alia that: "experience has shown that the introduction of larger containers, as a rule, requires massive additional investments in rolling stock and infrastructure. This has an impact on the cost of operation and, in the end, usually leads to higher freight rates. Thus, the final effect of the introduction of larger containers may be quite the opposite to the objective desired".

The monitoring of developments in the field of standardization of containers has enabled the UNCTAD secretariat to draw the attention of ISO to the needs and requirements of developing countries in this area. At the same time, this activity has led the transport industry to recognize the need to have stable internationally-recognized and voluntary-accepted container standards. Based on information set out in reports prepared by the UNCTAD secretariat, the Committee on Shipping in various resolutions has drawn the attention of ISO to the negative technical and commercial consequences, for developing countries, in particular, of continuing increases in dimensions and maximum gross mass of containers.

26. A Group of Experts on Multimodal Transport met from 9 to 13 March 1992, i.e. immediately after the session of UNCTAD VIII. It comprised, among its members and among the many observers who participated very actively in the discussions, a very good balance between private and public sector representatives. The Group reviewed the documentation prepared for it and elaborated a new draft programme of work "on the assumption that it should reflect the dynamic nature of the industry, the emerging trends and the major policy issues in this field".

27. The Group felt that its draft reflected a new spirit of partnership in the economic relations between countries, and the intention to narrow the gap between the developed and other countries in this specific field, in particular in relation to the establishment of integrated logistic services, electronic data interchange and the question of larger-than-current ISO standard containers. The Group was convinced that multimodal transport and containerization are fundamental ingredients for the expansion of trade, which in itself is a key element in the fostering of sustainable development and the elimination of poverty. The Group emphasized the need for the programme of work to be implemented in a dynamic and progressive sequence supported by the necessary policy analysis, conceptual innovation, research, and inputs from both governmental and non-governmental experts and actors.

28. The Group felt that the quality of outputs of the programme of work must be constantly evaluated so as to enable the secretariat clearly to identify the determinants of success. It recommended that the Standing Committee on Services establish a list of priorities which will permit the secretariat to develop appropriate implementing strategies and timetables. It also felt that in order to encourage better cooperation in the national trade and transport fields, the public and private sectors should be encouraged jointly with the government to establish national working groups which could discuss and thus understand the complex issues of the multimodal transport environment and recommend policy and operational measures to governments and other concerned parties for consideration.

29. The Group's draft future programme of work in the fields of multimodal transport, containerization and technological developments is contained in annex I to TD/B/C.4/342. It is recommended to the Committee for adoption.

30. The secretariat is currently undertaking a study on the effects of very large multimodal transport operations on developing countries. It is dealing particularly with the impact of the development of mega multimodal transport operators on both users and providers of transport services in developing countries.

D. Activities in the field of maritime and transport legislation

31. The following includes a review of activities in the field of maritime legislation.

32. In the area of ship financing it has been recognized within UNCTAD that the lack of finance for ship acquisition has been and remains a major difficulty for developing countries in expanding their national merchant fleets. The activities of UNCTAD in aiming at the alleviation of this problem

include, inter alia, the elaboration of a draft convention on maritime liens and mortgages by the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects. The objectives of the draft Convention are (a) to provide a generally acceptable legal framework governing the recognition and enforcement of maritime liens and mortgages and thus to achieve international uniformity, (b) to strengthen the international position of the mortgagees and financiers of ship building and ship purchase and thereby to improve conditions for ship financing at the international level.

33. Further to General Assembly resolution 46/213, a United Nations/ International Maritime Organization Conference of Plenipotentiaries has been scheduled to be held in the Spring of 1993, for consideration and adoption of the draft convention on maritime liens and mortgages.

34. As to the subject of arrest, which is a means of enforcing maritime liens and mortgages, the Joint UNCTAD/IMO Intergovernmental Group agreed that it might be necessary to amend the International Convention Relating to the Arrest of Seagoing Ships of 1952, in the light of the decisions taken by a diplomatic conference in respect of the draft maritime liens and mortgages convention. In view of the close relationship between the Arrest Convention and a future convention on maritime liens and mortgages, the Joint Group recommended that, with regard to arrest, consideration of any further work be postponed until after the adoption of the final text of the convention on maritime liens and mortgages by a diplomatic conference. It also recommended that the relevant bodies of UNCTAD and IMO consider making provisions for further meetings of the Joint Group, in the light of the results of the diplomatic conference (TD/B/C.4/AC.8/27). The recommendations of the Joint Group have been endorsed by the Committee on Shipping at its fourteenth session in resolution 66 (XIV), which was in turn endorsed by the Trade and Development Board at the first part of its thirty-seventh session.

35. Ship leasing being an alternative means of ship financing may also be a subject of investigation. This method of ship financing is of particular interest to developing countries, since it alleviates the need for capital outlay. This is especially so when a shipping company is interested in the sole use of a vessel without any particular need to become the registered owner. Compared with conventional bank financing, ship leasing offers more flexible terms and some additional advantages to lessors and/or lessees, such as the possibility of financing the payment of lease hire from the earnings of the vessel during its operation, tax relief and access to a particular flag (see TD/B/C.4/339).

36. General average was the subject of a preliminary analysis in the secretariat report "General Average - A preliminary review" (TD/B/C.4/ISL/58), which was considered at the thirteenth session of the Working Group on International Shipping Legislation (WGISL) where the Group decided, inter alia, to request the UNCTAD secretariat to approach, in close consultation with the Comité Maritime International (CMI), the insurance industry, including the International Union of Marine Insurance (IUMI), and international organizations representing commercial parties involved with general average, to study the extent to which insurance arrangements could simplify the operation of the general average system.

37. Following this decision by the Working Group, the secretariat has contacted, in consultation with CMI, the relevant international and commercial organizations involved in general average, requesting their views and proposals and any other information on the subject. Further to the request of the Working Group, a note was sent to Governments of developing countries requesting information on their experiences and those of commercial interests involved with the subject, including relevant information. Further consultations are to be held with interested parties as to the ways and means of simplification of general average procedure. The outcome will be reported to the Committee to enable it to take the appropriate decision.

38. The WGISL at its twelfth session considered the subject of charter parties, having before it a report prepared by the secretariat entitled "Charter parties - a comparative analysis" (TD/B/C.4/ISL/55). It could not, however, reach agreement on future work on the subject. Three draft resolutions, submitted by the Group of 77, Group B and in the Chairman's compromise text, were annexed to the report of the Working Group (TD/B/C.4/ISL/56), leaving the matter to be decided by the Committee on Shipping at its fifteenth session.

39. Developing countries considered the subject of charter parties to be of particular importance, since they are increasingly entering the bulk trade. It was therefore considered essential that developing countries base their chartering trade upon a firm and rational foundation initiated and adopted taking account of developing countries' interest (TD/B/C.4/ISL/56). The Committee is invited to take a decision concerning future work on charter parties.

40. The entry into force of the United Nations Convention on the Carriage of Goods by Sea, 1978 (Hamburg Rules) in November 1992 will mean application of a new set of rules to such contracts covering the trades to which the Rules apply. It is, however, likely that the existing international Conventions, namely the International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading, 1924 (Hague Rules) and the Hague Rules as amended by the Protocol of 1968 (Hague-Visby Rules) will still remain in force for some years. The Committee may wish to invite member States to give consideration to becoming parties to the Hamburg Rules so as to avoid uncertainties arising from the application of three different regimes to bills of lading. It may also request the secretariat to monitor the situation and to report to the Committee, and to provide assistance to developing countries in the implementation of the Hamburg Rules.

41. The secretariat has been receiving an increasing number of requests from developing countries for technical assistance in the development or modernization of their national legislations. Such requests have been dealt with on an individual basis. It is, however, considered that the formulation of a model code, which could be used as a guideline by developing countries in elaborating their own national legislations, would be of particular advantage. It would (i) provide a common basis for fostering international uniformity in the development of national legislations in developing countries and (ii) eliminate duplication of effort in individual projects and facilitate modernization of national legislations in such countries.

42. A further issue which requires the attention of the Committee is the Maritime Advisory Exchange (MAE). It may be recalled that the MAE had been established upon the initiative of UNCTAD by the private sector organizations, namely the Baltic and International Maritime Council, the International Chamber of Commerce and Lloyd's of London Press Ltd. It was to provide a focal point through which information relating to combating maritime fraud could be obtained. It started operation on 1 December 1988 in London.

43. It was, however, considered by the Board of Trustees that the full-scale promotion and functioning of the MAE required financial assistance. Thus the Committee at its fourteenth session, by resolution 65 (XIV), section VII, invited "member Governments and private enterprises, in a position to do so, to provide financial assistance to the Maritime Advisory Exchange in order to ensure its continued functioning". This was brought to the attention of the member States by the secretariat in the Secretary-General's note dated 24 January 1991, but no favourable response was received. In the light of the above the Standing Committee may wish to recommend to the Board of Trustees to reconsider the operation of the MAE.

E. Technical cooperation and training

44. Technical cooperation activities are carried out in all the fields mentioned earlier. They are grouped together in this section for convenience of presentation.

1. Volume of the programme

45. The volume of UNCTAD's technical cooperation and training activities in shipping, ports and multimodal transport, increased steadily throughout the 1980s, reaching a peak in 1989 and 1990. The following table shows its evolution over the past seven years.

EVOLUTION OF THE UNCTAD TECHNICAL COOPERATION AND TRAINING PROGRAMME 1985-1991

(project expenditure in thousands of US dollars)

Year	UNCTAD total	Shipping ports and multimodal transport	Percentage of total represented by shipping, ports and multimodal transport
1985	7 158	1 771	24.7
1986	10 935	2 440	22.3
1987	11 799	3 548	30.1
1988	12 187	3 246	26.7
1989	18 356	3 612	19.7
1990	21 996	3 668	16.7
1991	20 431	3 037	14.9

46. In July 1992 a total of 39 projects were being executed by the Shipping Division consisting of:

7 interregional projects

14 regional projects (8 in Africa, 1 in Asia and 5 in Latin America)

18 national projects (10 in Africa, 3 in Asia, 4 in Latin America and 1 in Arab States)

2. Main features of the programme

(a) Human resources development and training

47. This has continued to be a principal feature of the Shipping Division's activities, the main element being UNCTAD's TRAINMAR programme. This programme is complemented by the organization of policy seminars and workshops for senior government officials and on-the-job training.

(i) TRAINMAR

48. This is a programme for promoting training and human resource development for officials and managers responsible for maritime transport. Most of the training is conducted by institutes in the participating countries and the role of UNCTAD is to encourage cooperation among institutes, effective performance and orderly development.

49. National or local training centres have been helped by the programme to resolve national problems through training. Organizational, technical and pedagogic support from UNCTAD enables them to continue to do this and to expand their activity. Some 80 versions of TRAINMAR courses exchanged between centres are in use for training some 6,000 officials or managers per year; in addition to which other courses of a local specificity run by these centres reach many more trainees.

50. TRAINMAR has continued to expand and develop over the past two years, and institutions in more than 50 countries now cooperate within the programme to enable management training to be conducted for the maritime sector and related enterprises. In 1990 the secretariat initiated an action plan to consolidate the cooperation arrangements. This covered seven principal courses of action:

- A development strategy for the programme
- Organization of the network for cooperation
- Reinforcement of individual centres
- Course development
- Structuring support through UNCTAD
- Inter-agency cooperation
- Ensuring funding of support activities

51. An advisory committee met in February 1992 to examine progress. The action plan has received support from UNDP and should be completed by mid-1993, at which stage a report will be prepared for the Committee.

52. Principal developments are that:

- A membership scheme has been introduced so that participating institutes can cooperate on a confident and equitable basis.

- There is now effective regional or subregional cooperation through seven regional networks; each network has established its own secretariat and financial arrangements, holds annual meetings and prepares cooperative work programmes.

- A small number of members designated as Resource Centres maintain contact with UNCTAD and ensure that latest developments are channelled to all members without excessive load upon UNCTAD.

- The system of cooperation facilitates exchange of course materials, trainers and trainees, sharing of information and experience, and the conduct of joint activities; it enables new members to obtain help for initiating TRAINMAR activities, providing that they can cover the modest costs.

- Well-tried pedagogic methods have been documented for use by centres and a local ability to use them established; these are currently being updated. This approach ensures that professional standards are maintained and facilitates cooperation among centres.

- The UNCTAD secretariat is able to provide the organizational and technical support required from its regular budget, but the ability to provide an essential minimum of pedagogic guidance and control currently depends on extrabudgetary funds.

- Cooperation with other international organizations has been pursued productively; there has been particularly close cooperation with ICAO, which has established a sister programme, TRAINAIR.

- Extrabudgetary funding of about $1 million a year is provided by donors to enable interregional and regional support to be provided for developing cooperation and for national activities where countries have wished to establish a particularly sound basis for training and human resource development.

- Some progress has been made in widening the coverage of training given by members to those enterprises which are small and cannot support their own training centres. This is being enhanced by the development of diploma courses and other career related training, in collaboration with local institutes of higher education and experienced centres in industrialized countries, and integration of all training programmes with policies for human resource development for management of the international transport industry.

(ii) Policy seminars

53. Some 40 policy seminars in shipping, ports and multimodal transport were conducted by the Shipping Division in English, French and Spanish during the last two years. These were:

- Multimodal Transport Workshops developed under the TRAINMAR Programme

- Seminars on Container Terminal Development Policy and Equipment Maintenance developed under the Improving Port Performance (IPP) Programme (a new IPP course on Strategic Port Pricing is currently being finalized)

- Container Management Seminars developed jointly with Antwerp Port Engineering & Consulting (APEC). A new seminar on the commercial role of ports is under preparation with finance from the Belgian Government. A first delivery is planned in 1993 in the Port of Ghent

- The strategic planning course for senior shipping managers (STRATSHIP) has been introduced to the TRAINMAR network. A key development strategy originally envisaged was to train a cadre of regional instructors from participants who had previously attended STRATSHIP workshops.

54. Many of the policy seminars are conducted at TRAINMAR centres with the participation of selected local instructors. In this way the TRAINMAR programme also provides an effective channel through which policy issues can be ventilated.

(iii) JOBMAR

55. The Shipping Division, in collaboration with the Centre for Maritime Cooperation initiated an on-the-job training programme in 1989 named JOBMAR. Its objective is to transfer up-to-date management techniques to middle/senior managers in developing countries by providing them with the opportunity of working alongside counterparts in countries with a more advanced maritime transport sector. Experience is gained by being able to see how problems are dealt with under normal commercial pressure. By the end of 1991 some 30 candidates had been placed, mostly with port authorities, shipping companies, industrial enterprises with in-house transport divisions and ship brokers. Assignments varied in length from one to three months.

(b) Advance Cargo Information System (ACIS)

56. One of the most important technical assistance projects carried out by the Shipping Division over the last four years has been the execution of a series of projects dealing with measures to increase the physical capacity of transport networks and transport operators through the introduction of modern data management techniques which permit much closer monitoring of cargo movements.

57. The central feature is the development and implementation of an Advance Cargo Information System (ACIS) which makes available to all transport operators information on cargo before such cargo reaches the interface between two transport modes.

58. ACIS is designed to cover all transport modes - ports, rail, road and rivers/lakes. By mid-1992 the following could be considered as a status report of the ACIS programme in Africa:

- PortTracker: The port manifest sub-module is now being used at four African ports; the Port Harbour Master sub-module is operational in two ports and under prototype demonstration in two; and the Port Gate Pass sub-module is under design and will be prototype tested in an additional port by the close of 1992.

- RailTracker: The RailTracker sub-module is operational in two versions. On four networks, goods and rolling stock are being tracked; on five networks, only rolling stock is being tracked.

  In addition RailTracker is being installed on two networks. Seven networks have asked for the system but this can only be done if and when resources are available.

- RoadTracker: The road vehicle data base is under design.

(c) Contribution to the United Nations Transport and Communications Decades in Africa and Asia

(i) Africa

59. Since 1988 UNCTAD has participated actively in the preparations for the Second United Nations Transport and Communications Decade in Africa (1991-2000) and, in fact, chairs the Sub-Sectoral Working Group dealing with Shipping, Ports, Inland Waterways and Multimodal Transport. Strategies for achieving the Decade's objectives have been developed by this Working Group and these will be disseminated to member States through the production of a brochure and through presentations at national and subregional meetings, workshops, conferences, etc. Performance indicators are being defined in order to be able to monitor and evaluate progress in meeting the Decade's objectives.

60. Discussions are taking place with a number of African Governments and subregional organizations to develop project proposals for execution during the Decade.

(ii) Asia

61. Since 1990 when a mid-term review of the Transport and Communications Decade for Asia and the Pacific took place, UNCTAD has contributed to the development of a Regional Action Plan for the second part of this Decade.

Project proposals (some to be executed jointly with ESCAP) have been submitted in the fields of shipping and related services, multimodal transport, railway wagon information and control systems and human resource development. These projects are expected to get under way in 1993.

(d) Regional and national projects

62. Regional projects being undertaken include:

- harmonization of maritime legislation of West and Central African States;
- a feasibility study for a West African Coastal Shipping Service;
- assisting African land-locked countries in the formulation of shipping policies;
- creation of a shipping information system for a group of East African States;
- harmonizing port tariff structures in West Africa;
- assistance in the introduction of multimodal transport.

63. National projects include:

- assistance in the preparation of a comprehensive maritime code;
- development of a maritime information system;
- market research study for the development of a maritime centre;
- improving the organizational structures of a national shipping company;
- improving port administrations;
- feasibility study for a freeport;
- upgrading freight forwarding activities and introducing multimodal transport.

(e) Financing of technical cooperation and training activities

64. UNCTAD wishes to place on record its appreciation to the United Nations Development Programme, the European Economic Community and the Governments of Belgium, France, Germany, the Netherlands, Norway and Sweden which participate in funding the above activities.